



GHANA NATIONAL GAS LIMITED COMPANY

GAS SERVICES TARIFF PROPOSAL

FOR

MAJOR TARIFF REVIEW WINDOW 2026-2030

SUBMITTED TO

PUBLIC UTILITIES REGULATORY COMMISSION

September 25

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Executive Summary

Ghana National Gas Limited Company (GNGLC) is submitting this tariff proposal for the 5-year period beginning 2026 to ensure the continuous operations, safety, and expansion of Ghana's Natural Gas Integrated Transmission System (NGITS). The proposed tariff of US\$2.109/MMBtu at the start of the regulatory period reflects a cost-reflective structure aligned with the Public Utilities Regulatory Commission (PURC) Act, 1997 (Act 538) and the Rate Setting Guidelines, and is driven by the need to recover prudent capital investments, sustain operational reliability, and deliver a fair return on assets.

Since the last major tariff review in 2022, GNGLC has undertaken critical infrastructure expansions, both in gathering and transmission to meet rising national demand and support industrial growth. These new investments, funded largely through Internally Generated Funding sources, have not yet been fully captured in the regulated asset base.

This proposal:

- Includes all Capitalised Expenses;
- Includes all approved critical short-term investments by PURC
- Includes NGL revenues as offsets for gathering and processing costs, using a refined methodology that prevents under-recovery;
- Proposes incremental tariffs across service lines that reflect actual cost-of-service while maintaining affordability;
- Demonstrates GNGLC's commitment to operational efficiency, financial sustainability, consumer interest and environmental responsibility;

GNGLC is confident that this proposal balances investor interest with public interest and will help sustain the sector's ability to support Ghana's industrialization, energy security, and transition to cleaner fuels.

1.0 Introduction

Ghana National Gas Limited Company (GNGLC) was established in July 2011 as a limited liability company, wholly owned by the Government of Ghana (GoG) with a responsibility to build, own and operate the infrastructure required for gathering, processing, transportation and marketing of natural gas resources in the country. In line with this mandate, the Early Phase Western Corridor Gas Infrastructure Development Project (WCGIDP) was successfully executed and commenced commercial operations on 1st April 2015.

Subsequently, GNGLC has installed and committed to installing other gas facilities to expand and improve service deliveries to other existing and future market centres. The WCGIDP was funded under the US\$1 billion facility (part of the GoG's US\$3 billion Master Facility) secured from the China Development Bank (CDB). The other installed Gas Infrastructure was funded with Internally Generated Funds (IGF) and loans from commercial banks.

GNGLC seeks to recover these investments in assets as well as operational and maintenance expenditures related to gas facilities through its tariff regime. However, during the 2019 tariff setting exercise, it was agreed that the CDB assets and loan interest and the 14km Deep Water Offshore Pipeline were to be excluded from the Regulated Assets Base. Furthermore, the Natural Gas Liquids (NGLs) were to be retained as revenue by GNGLC to offset part of the Natural Gas Processing Service Charge.

In line with the requirements under Public Utilities Regulatory Commission (PURC) Act, 1997 (Act 538) and the Rate Setting Guidelines, GNGLC has put together this proposed delivered tariffs for Gathering, Processing and Transmission services for consideration and approval by the PURC. The following key considerations underpin the structure and intent of this submission:

- Inclusion of All Commissioned Assets brought into service between the 2022 Major Tariff Review and the 2025 Major Review, to ensure timely and fair recovery of capital investments.
- Incorporation of Net NGL Revenue as an offset to the Annual Revenue Requirement, applying a structured mechanism that recognizes monetized liquids while preserving GNGLC's core cost recovery and investment viability.

2.0 Brief Background of GNGLC's Natural Gas Operations

Subsequent to the successful completion of the WCGIDP, the PURC approved an initial Delivered Gas Price (DGP) of US\$8.8424/MMBtu in November 2014, to enable GNGLC meet operating costs, CDB loan payment obligations and to achieve at least 15% rate of return. The DGP of US\$ 5.9424/MMBtu allocated to GNGLC as total service tariff to cater for gathering, processing and transmission.

In 2018, under the Harmonization of Natural Gas Pricing for Electricity Generation policy, the PURC in consultation with the GoG and other stakeholders, adopted a single Weighted Average Cost of Gas (WACOG) for all streams of gas sold into the power market. The mechanics of the harmonised policy led to a US\$ 1.5524/MMBtu reduction in the 2014 total service tariff with the new DGP set at US\$ 7.29/MMBtu. For GNGLC, the implementation of the WACOG led to a 24%, 39% and 59% reduction in the Gathering charge, Processing charge and Transmission Services charge respectively and cumulatively reduced charges by 37%. This adversely affected GNGLC's cashflow requirement for effective operations, maintenance, and expansion of the gas facilities.

GNGLC's financial challenges arising from the tariff reduction without a corresponding increase in gas volumes, was further compounded with the introduction of the revised WACOG in 2019. Though GNGLC submitted a total tariff of US \$ 2.05/MMBtu required to meet the 2019 – 2020 annual revenue requirement for operating and maintaining the three-tier asset, the PURC approved a total service tariff of US\$ 1.064/MMBtu for processing and transmission without approving tariff for gathering, a key component of the regulated asset base. Since 2022, the Total Tariff of the Ghana GNGLC has undergone several key adjustments, shaped by regulatory interventions from the Public PURC and evolving cost-recovery dynamics. A significant milestone occurred in September 2022 when the Gathering tariff was reintroduced after a prolonged period of exclusion. This led to a marginal increase in the total tariff to \$1.168/MMBtu, marking the beginning of a new cost-reflective structure.

In the quarters that followed, GNGLC's tariffs experienced a downward trend. The first quarter of 2023 recorded a reduced tariff of \$1.153/MMBtu, which further declined to \$0.976/MMBtu in the second quarter. These reductions were primarily attributed to lower processing costs and the absence of any financing cost recovery during that period. However, in August 2023, PURC undertook a major review that reversed this declining trend. A new tariff of \$1.3796/MMBtu was approved, effective from September 2023, driven by an increase in processing costs and the reintroduction of financing costs. This marked a return to a more comprehensive cost recovery framework. Subsequently, in November 2023, the tariff was revised downwards to \$1.2563/MMBtu for the fourth quarter. In 2024, the tariff was revised downwards to \$1.206/MMBtu and maintained across all quarters. Effective May 2025, the tariff experienced a marginal decline to \$1.105/MMBtu.

Consequently, GNGLC was only able to support 61% of its annual financial obligations, predominantly made up of operational expenses. In order to ensure integrity of **ALL** the regulatory assets, operational and maintenance philosophy established by GNGLC must be adhered to, and therefore requires cost reflective tariff for all the regulated assets.

3.0 Rationale & Objectives Underpinning Tariff Submission

The PURC Act, 1997 (Act 538), provides that the Commission shall consider the **(a) consumer interest, (b) investor interest, (c) Economic viability of utility, (d) social and environmental impact (e) assurance of the financial integrity of the public utility and (f) best use of natural resources**, when fixing rates.

Accordingly, GNGLC in deriving its 2026 Tariffs has applied the **Rate of Return Regulation Tariff Methodology**, which takes into consideration the total cost of providing a service against the billing determinant (expected through-put). This tariff methodology is expected to ensure the following;

- the recovery of cost of investment
- the recovery of fixed operational expenses required to ensure uninterrupted operation of GNGLC's facilities and the delivery of gas; and
- a fair return on assets, which facilitates repayment of the cost of capital and equity return to shareholders, thereby protecting the investor interest.

4.0 Legislative Provisions in Support of Tariff Application

Legislative provisions that support the tariff application are the Energy Commission Act, 1997 (Act 541) and Public Utilities Regulatory Commission (PURC) Act, 1997 (Act 538).

5.0 Major Highlights of Issues Underpinning Tariff Submission

- Recovery of additional investments made from last Major Tariff Review to Current Submission;
- Recovery of the cost of investment to include the Gathering pipeline;
- Recovery of the cost of Major Planned Processing and Transmission Investments from 2026 to 2030;
- Mandatory Acquisition and Operations of High-Pressure Pipelines in the Tema Enclave as directed by Energy Commission;
- NGLs Revenue used to offset part of the Natural Gas Gathering and Processing Service Charge; and

6.0 Initiatives to be Undertaken – 2025 Tariff Review

Project	Classification	Justification	Completion Date
High Integrity Pressure Protection System (HIPPS)	CAPEX	The High Integrity Pressure Protection System (HIPPS) is critical for safeguarding downstream equipment, ensuring operational safety, and maintaining uninterrupted supply to various industrial offtakers.	2022
Regulating and Metering Stations (Tema Enclave) –	CAPEX	These stations will facilitate accurate gas delivery, custody transfer, operational safety in Ghana Gas operations. This will support strategic industrial offtaker business development in the East pending the completion of Takoradi-Tema Pipeline infrastructure.	Q3 2025
DVS 1 Upgrade Works	CAPEX	The construction of this will enable better service to industrial customers through the DVS.	2026
Mainline Compressor	CAPEX	This project, will be undertaken to maintain pressure stability on the 111km Atuabo-Aboadze onshore pipeline. It will further increase gas transportation capacity on the pipeline to about 405 MMScf/d.	2027
Outage Protection Pipeline – Sanzule to Atuabo	Maintenance CAPEX	This project will be undertaken to support reliability for Ghana Gas in periods of outages.	2027
Gas Processing Plant (GPP2) Train 2	CAPEX	This project will enable GNGLC to accommodate increased raw gas supply from the Greater Jubilee field, and any additional gas supply from upstream sources. Furthermore, the project will also improve gas quality and product recovery in its pure forms from processing of raw gas.	2027
Takoradi-Tema Onshore Pipeline project	CAPEX	This project is to ensure security of gas transportation between the two major demand centres, i.e., Takoradi (West) and Tema (East). Additionally, this project is	2028

		intended to stimulate industrial market growth along the pipeline route and beyond in the regions where the pipeline traverses.	
Atuabo Initial Station-Petroleum Hub-Ivory Coast	CAPEX	This project will facilitate gas transportation from (Atuabo) through to Petroleum Hub to Sringabo (border town) for use by Ivory Coast and support industrialization mandate of the Petroleum Hub.	2028

Notwithstanding, the Annual Capital Expenditure per the asset register and completion start date is summarised in the diagram below:

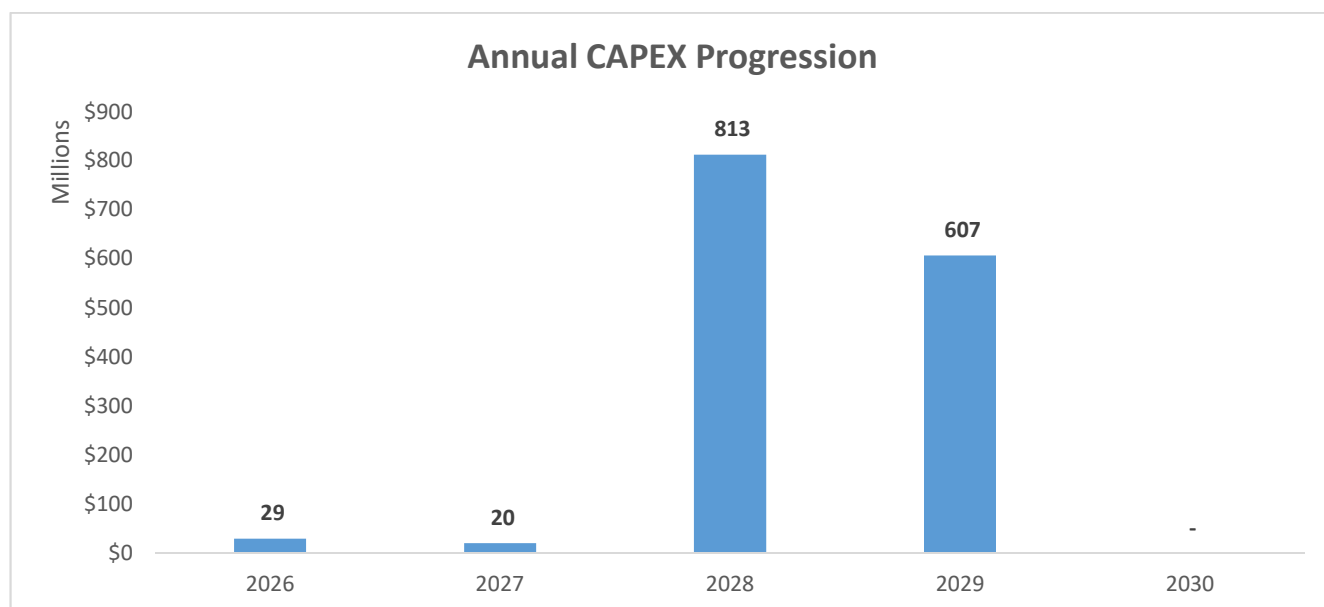


Chart 1: Annual CAPEX Progression

7.0 Projects Undertaken and Impact

The following projects have been undertaken to improve natural gas distribution and utilisation:

- Modification of PSV on GPP LPG Spheres - The project comprised of the engineering design, procurement, fabrication, inspection, testing, packaging, shipment and supply of new adequately sized pressure safety valves (8 no.) and piping spools for the installed configuration of the GPP Spherical LPG Storage Tanks at Atuabo. This project was completed in December 2024. It was commissioned for use in 2025.
- Gas Chromatograph & Fiscal Meter on Gathering Pipeline - In line with Ghana Gas preparedness for the new combined Gas Sales Agreement, CGSA, post the foundation volume regime, considering the requirements on Ghana Gas, coupled with the proposed philosophy of the CGSA by TGL, which requires Gas receipt composition analysis and measurement to meet contractual obligations, it is imperative to upgrade the GPP reception facility with a skidded metering facility featuring an on-stream total spectrum analyzer. This project was completed in December 2024. It was commissioned for use in 2025.
- GPP Standby Product Cooler - This project was completed as an essential asset to ensure GPP integrity. This project was completed in December 2024 and commissioned for use in 2025.

7.1 Description of Gas Infrastructure

7.1.1 Existing Infrastructure

GNGLC's existing gas infrastructure comprises the following;

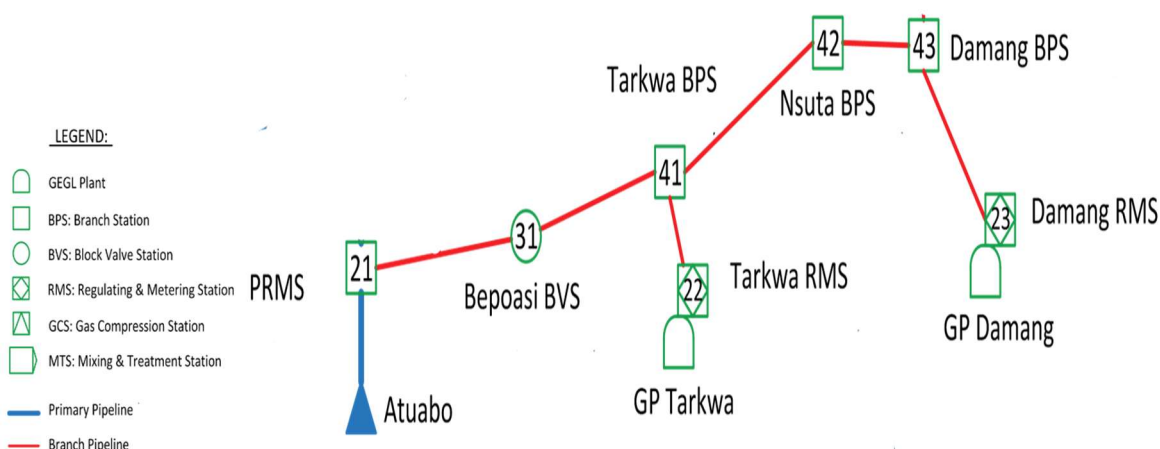
- 58km 12-inch Offshore Gas Export Pipeline – This gas export pipeline, also known as a gathering line connects the Jubilee FPSO and the TEN FPSO to the GPP. The offshore pipeline facilitates the transportation of raw gas from Jubilee/TEN fields to the Atuabo GPP for processing.
- Atuabo Gas Processing Plant – This is an onshore processing plant with a design capacity of 150MMScf/d of natural gas. Raw gas is processed into lean gas and natural gas liquids (LPG, Condensates, Pentanes). The GPP was commissioned on November 10, 2014 and commenced commercial operations in April 2015. It has, since the declaration of commercial operations, processed raw gas from the Jubilee/TEN fields with very little downtime.
- 111km 20-inch Onshore Transmission Pipeline – This gas transmission pipeline transports lean gas from Atuabo to Aboadze for thermal power generation and industrial use. The 111 × 20-inch pipeline can transport up to 405 MMscfd under compression.

- 75km × 20-inch Onshore Lateral Transmission Pipeline – This transmission pipeline transports lean gas from the Esiam Distribution Station (EDS) to the Prestea Regulating & Metering Station (PRMS). The pipeline has been extended Kumasi to facilitate gas delivery and utilisation in this part of the country.
- 8km 20-inch TDS-SRMS onshore pipeline – This pipeline transports lean gas from the TDS to the Sekondi Regulating & Metering Station (SRMS) located at Sekondi. This pipeline facilitates gas delivery to Amandi's thermal plant at Aboadze and the Karpowership berthed at Sekondi.
- 9km 6-inch TDS-DVS1 onshore pipeline – This pipeline transports natural gas from the Takoradi Distribution Station (TDS) to the Distribution Valve Station 1 (DVS1) located at Eshiem, for utilisation by Wangkang Ceramics Limited, and subsequently, Jintao Sanitary Ware Limited in June 2021.
- TDS-Marco Polo Distribution Pipeline – This 1.5km x 8-inch pipeline facilitates the delivery of natural gas to Marco Polo Tile Ghana limited (Industrial customer) for the production of ceramic tiles at Nyankrom in the Shama District, Western Region.
- DVS1-Jintao Sanitary Ware Limited – This 0.3km x 6-inch pipeline facilitates the delivery of natural gas to Jintao Sanitary Ware Limited at Eshiem for the production of ceramic sanitary ware products.
- 1km 6-inch TDS-Keda Ceramics onshore pipeline – This pipeline enables the delivery of natural gas to Keda Ceramics at Aboadze for industrial use.
- 1.5km 20-inch TDS-WAPCO Interconnection Pipeline – This facilitates interconnection of GNGLC's gas facilities with WAPCO's gas facilities at Aboadze to allow for reverse flow of gas from Aboadze (West) to Tema (East) through the West African Gas Pipeline (WAGP).
- 10km 20" Karpower TDS to Sekondi Pipeline– This project enabled generation of 450 MW by Karpowership using natural gas instead of Light Crude Oil.

7.1.2 Other Non-GNGLC Pipeline Facilities

7.1.2.1 Prestea-Damang Lateral Transmission Pipeline

In May 2019, Genser Energy Ghana Limited commissioned the 12-inch diameter x 78km gas lateral pipeline from the PRMS to Damang. The figure below illustrates the layout of the lateral transmission pipeline;



7.1.2.2 Dawusaso-Nyinahin-Kumasi Transmission Pipeline

Following the completion of the Prestea-Dawusaso Gas Transmission Pipeline, Genser has continued the Gas transmission pipeline to Kumasi via Nyinahin with an 85km x 20-inch pipeline. This transmission line is positioned to serve potential industrial and power customers in Kumasi and its environs.

It is worth noting that these infrastructures fall within the scope of gas transmission assets and are fully aligned with GNGLC's operational mandate. In recognition of GNGLC's statutory role in the ownership and operation of such facilities, the Energy Commission has initiated the process to formally transfer the Operations and Maintenance (O&M) responsibilities of these assets to Ghana Gas. In light of this development, there is a corresponding need to regularize the applicable tariff regime for these assets, ensuring operational sustainability, and alignment with the broader regulatory framework.

7.1.2.3 High Pressure Pipeline Network (Tema)

The Energy Commission has informed pipeline operators in Tema of the need to transfer the operations and ownership of their infrastructure to Ghana Gas as it falls within their mandate as the Natural Gas Transmission Utility. This network, albeit developed, continues to undergo further expansion works owing to development of industrial enclaves in the area.

Figure 2 Below provides an overview of the existing gas infrastructure

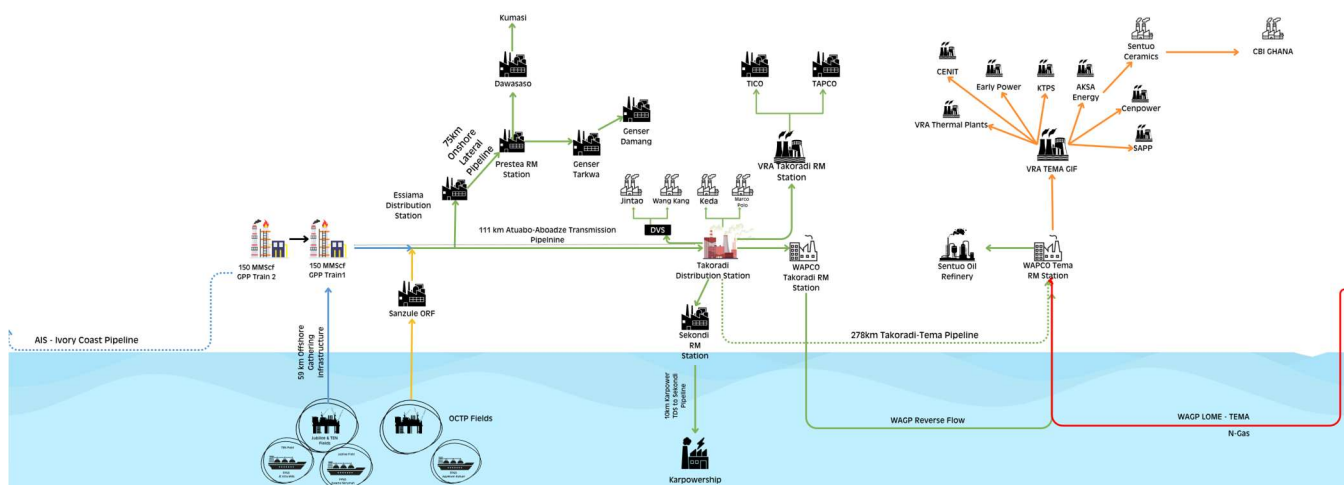


Figure 3: Existing gas infrastructure

7.1.3 Future Infrastructure Expansion

GNGLC sees itself as a key player in the energy sector in the coming decade and have set out the following objectives to ensure the attainment of this objective:

- Expand infrastructure
- Expand local market and explore new markets in the sub-region
- Explore different avenues for gas utilization

To ensure that these objectives are met, GNGLC expects to undertake the following projects:

- **Gas Processing Plant (GPP2) – Train 2** – GNGLC plans to expand its processing capacity through the installation of Train 2 at the Atuabo Gas Processing Plant. This project is aimed at accommodating increased volumes of raw gas from the Greater Jubilee field and other upstream sources. It will also enhance gas quality and optimize the recovery of natural gas liquids (NGLs) in their pure forms, thereby supporting reliable supply and improved value extraction across the gas value chain.
- **Takoradi-Tema Onshore Transmission Pipeline** - In the medium term, GNGLC will install a gas pipeline system, with an approximate length of 278km from Takoradi to Tema, as part of its effort to create additional markets for available indigenous natural gas. This project is to ensure security of gas transportation between the two major demand centres, i.e., Takoradi (West) and Tema (East). Additionally, this project is intended to stimulate industrial market growth along the pipeline route and beyond in the regions where the pipeline traverses.
- **Tema-Atiwa-Konogo-Kumasi Transmission Pipeline** - In the medium term, GNGLC will install a 20-inch gas pipeline system, with an approximate length of 227km from Tema to Kumasi, as part of its effort to create additional markets for available indigenous natural gas.

The pipeline will be designed to have a capacity of about 350MMscfd at a maximum pressure of 100 barg and is expected to supply gas for the calcination of limestone into lime, the production of caustic soda, and will make natural gas available to the proposed alumina refinery at Atiwa.

- **Kumasi-Paga-Burkina Faso Transmission Pipeline** - In the long term, GNGLC intends to construct the 510km x 20-inch Kumasi–Paga onshore transmission pipeline and ancillary gas facilities to facilitate the delivery of natural gas to the northern part of the country, and subsequently to Burkina Faso.

7.2 Capital Investment and Funding

The table below presents projected cost for the projects:

Table 7.2: Summary of Estimated Project Investment Cost and Financing Structures

Project Name	Duration	Estimated Cost (000 Us\$)	Financial Structure
Mainline Compressor Station Phase 2	Year 1-5	99.5	Medium-term Commercial Loan Facility
Takoradi-Tema Onshore Pipeline	Year 1-5	550.0	Joint Venture or Commercial Loan Facility
Gas Processing Plant Train #2	Year 1-5	700.0	Joint Venture or Government Funding
Tema High Pressure Infrastructure	Year 1-5	40.0	Joint Venture or Government Funding
Atuabo-Ivory Coast Onshore Pipeline	Year 6-10	95.0	Medium-term commercial loan facility
Kumasi-Paga-Burkina Faso Onshore Pipeline	Year 11-15	To Be Determined	Joint Venture or Government Funding
LNG Regasification Unit and pipelines at Tema	Year 11-15	To Be Determined	Joint Venture or Government Funding
LNG Regasification Unit and pipelines at Takoradi	Year 11-15	To Be Determined	Joint Venture or Government Funding

8.0 Commercial Environment and Contractual Framework

Gas commercialization involves the simultaneous development of both upstream and downstream operations. Upstream commercialization begins only after field reserves have been confirmed and long-term conditions for gas utilization and marketing are clearly defined. Downstream development includes all midstream and downstream activities required to receive, transmit, and sell natural gas to end users.

At the onset of gas commercialization in 2014, the responsibilities for Gas Aggregation, Processing, Shipping and Transportation were consolidated to ensure effective development and operation of the gas market. Over time, the role of National Gas Aggregator had been a subject of institutional contention. After stakeholder consultations, a policy realignment was implemented, designating GNGLC as the responsible entity for gas aggregation, shipping, and operatorship to streamline operations and enhance efficiency across the gas value chain.

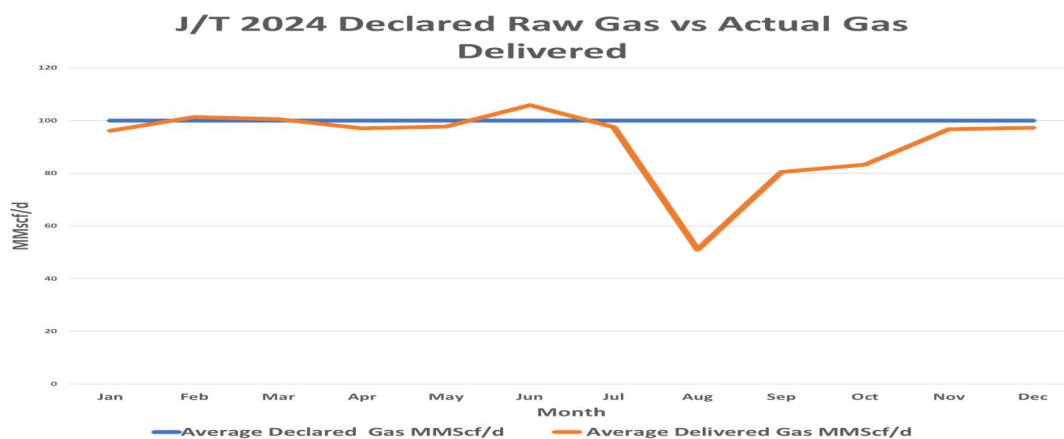
8.1 Gas Supply

There are two broad categories of gas supply sources in Ghana (Domestic and Import). Gas supply projections has been the responsibility of Upstream Partners. However, for purpose of this proposal, GNGC has provided gas supply projections from 2025 to 2030 based on supply projections provided by Upstream Partners.

8.1.1 Domestic Gas Supply

8.1.1.1 Jubilee and TEN Fields

Jubilee/TEN fields were expected to supply 100 MMScf/d of raw gas to the Atuabo Gas Processing Plant in 2024 (reference year). However, total raw gas exported was 33,659.69 MMScf (99%) out of the projected 34,100.00 MMScf, with an average daily supply of 91.97 MMScf/d. The graph below shows declared raw gas versus actual raw gas supply in 2024.



Declared Raw Gas vs Actual Raw Gas Supply

In 2025, Jubilee/TEN is expected to once again supply a daily average raw gas of 100 MMScf/d for processing at the Atuabo GPP.

Total Jubilee/TEN lean gas supplied in 2024 was 31,355.36 MMscf with a daily average supply of 85.67 MMscf/d compared to a total supply of 32,977.52 MMscf (90.35 MMscf/d) in 2023 (5% decrease).

8.1.1.2 Sankofa

Sankofa and Gye Nyame gas fields were expected to supply 235 MMScf/d of processed gas for delivery to the downstream market. However, total processed gas volume delivered for transportation to the downstream market in 2024 was 81,795.12 MMScf with daily average supply of 223.48 MMscf/d out of the projected volume of 85,775 MMScf. The shortfall in projected gas supply was mainly due to ENI ORF planned shutdown from 7th – 24th September. In 2025, Sankofa Gas is projected to deliver 246 MMScf/d of processed gas to the downstream market in 2025.

8.2 Import

8.2.1 Gas Supply from Nigeria

Natural gas from Nigeria is supplied through the West African Gas Pipeline (WAGP), an offshore gas pipelines with two exit points in Ghana (Tema and Takoradi. The average daily N-Gas supply for 2024 was 72.20 MMscf/d compared to 59.49 MMSfc/d in 2023. This translates to a 21% increase in N-Gas supply. The increase in N-Gas supply was mainly due to the additional flow secured during the GPP and ENI scheduled maintenance shutdowns. Gas supply from Nigeria for 2025 is projected at 60 MMScf/d.

8.2.2 Tema LNG

The Tema LNG Terminal Company (TLTC) was established in 2017 to develop, construct and operate sub-Saharan Africa's first LNG import terminal. TLTC is employing an FSRU with an existing LNG carrier to receive, store and regasify LNG. The completion of the LNG Terminal will allow for the importation of LNG to augment indigenous gas supply and gas supply from Nigeria.

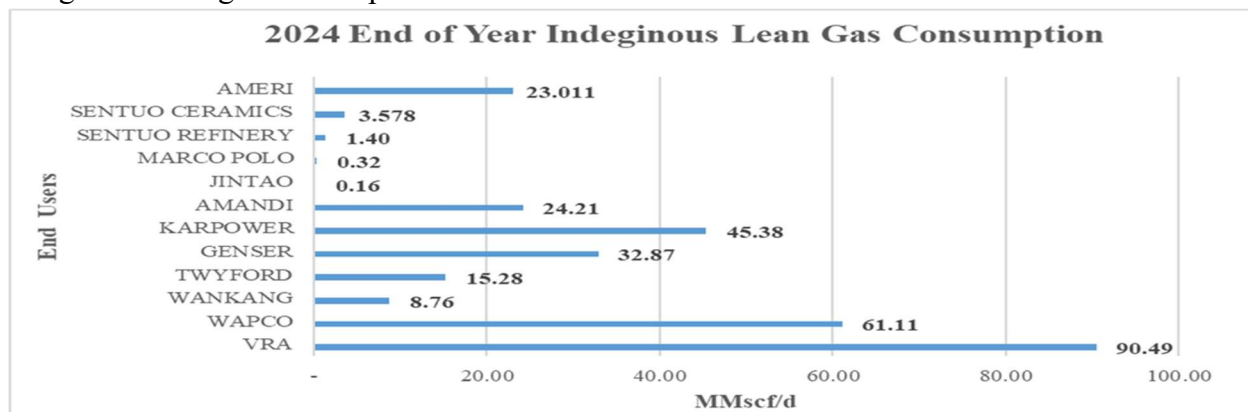
8.3 Gas Demand

8.3.1 Power Demand

The power sector has been the primary off-taker of gas in Ghana accounting for approximately 90% of the total lean gas consumption in 2024. In 2024, the average daily indigenous gas for power consumption was 277.08 MMscf/d. This comprises of 244.20 MMscf/d for gas to grid power demand and 32.87 MMscf/d by Genser for embedded power generation.

8.3.2 Non-Power Demand

In 2024, total gas consumption by the Non-Power demand (Twyford, Wankang, Jintao, Sentuo Ceramic, Sentuo Refinery and Marco Polo) was 10,797.15 MMscf compared to 7,806.79 MMscf in 2023. This represents a 38% increase in non- power demand. The diagram below showcases indigenous lean gas consumption breakdown in 2024.



Source: GNGLC

8.4 Gas Demand & Supply Forecast (2025-2030)

Forecasting Ghana's gas balance is challenging due to the high level of uncertainty over future gas pricing, domestic supply volumes, import commitments and infrastructure development.

To balance the unconstrained demand with the available gas supply, the available gas supply is utilized based on the costs of production, contractual regime, reliability and the least cost supply options. Gas supplies are restricted by the maximum available production of each field, the pipeline maximum throughput volumes or the maximum regasification capacity of LNG terminals. Below are some key assumptions used during the forecast.

- Greater Jubilee can ramp up gas production to 200 MMscf/d necessitated by additional export capacity and processing facility by 2028.
- Sankofa to ramp up gas flows from current 246 to about 260 MMscf/d by 2026
- Ngas can ramp up gas supply to about 90 MMscf/d subject to VRA request and availability of payment security
- The forecast assumes 7% shrinkage factor for processed gas based on historical data.
- The commissioning date for the Tema LNG is not yet confirmed. However, the forecast assumes 2027 as a potential start date.
- This forecast does not include planned and unplanned maintenances

Table 8.3.1 showing Ghana's Gas Balance from 2025 to 2030

	2025	2026	2027	2028	2029	2030
Domestic Gas Supply						
Jubilee/ TEN (Raw gas)	100	120	120	200	200	200
Jubilee/TEN (Lean gas)	94	113	113	188	188	188
Sankofa	246	260	260	260	260	260
Total Domestic Gas Supply (MMScfd)	340	373	373	448	448	448
Imported Supply						
N-Gas*	80	80	80	80	80	80
LNG*	-	-	250	250	250	250
Total Imported Supply (MMScfd)	80	80	330	330	330	330
Total Supply	420	453	703	778	778	778
Downstream Demand (MMScfd)						
Wang Kang	10	10	12	12	15	15
Twyford	15	15	20	20	20	20
Marco Polo	1	1	1	2	2	2
Jintao	1	1	2	2	2	2
Sentuo Ceramics	4	4	6	8	10	10
Sentuo Oil	2	4	10	10	10	10
Genser	40	40	40	40	40	40
Others	2	4	6	6	8	8
Non-Power Demand	75	79	97	100	107	107
Power Demand	375	397	432	481	531	591
Total Demand	450	476	529	581	638	698
D&S Balancing (MMScfd) with LNG	(30)	(23)	174	197	140	80
D&S Balancing (MMScfd) Without LNG	(30)	(23)	(76)	(53)	(110)	(170)

Source: GNGLC

8.3.4 Gas Balance from 2025 to 2030

Including LNG supply significantly strengthens the overall gas balance, ensuring that total gas availability comfortably exceeds both power and non-power sector demand through to 2030. This creates a consistent surplus, enhances system reliability, and reduces the risk of supply shortfalls. Without LNG, however, the gas supply remains tightly aligned with growing demand, offering little to no surplus and increasing the vulnerability of the system to disruptions. Indigenous and regional sources alone are unlikely to sustain long-term supply security without the additional buffer provided by LNG, especially as demand continues to rise steadily over the period.

Fig 8.1 Chart Showing Ghana's Gas Balance from 2025 to 2030 with LNG Supply

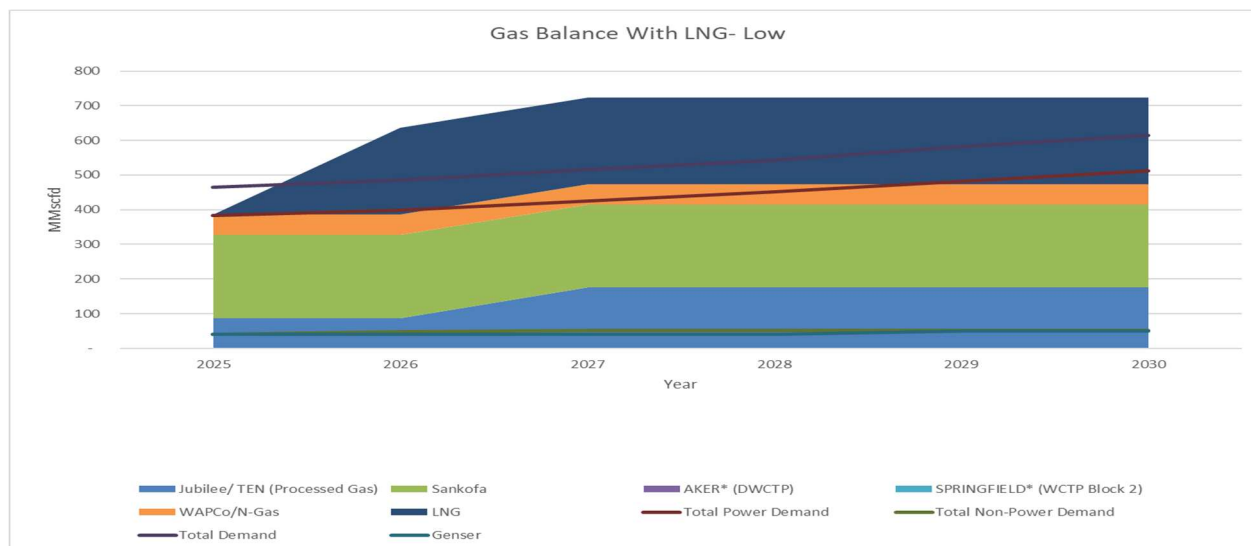
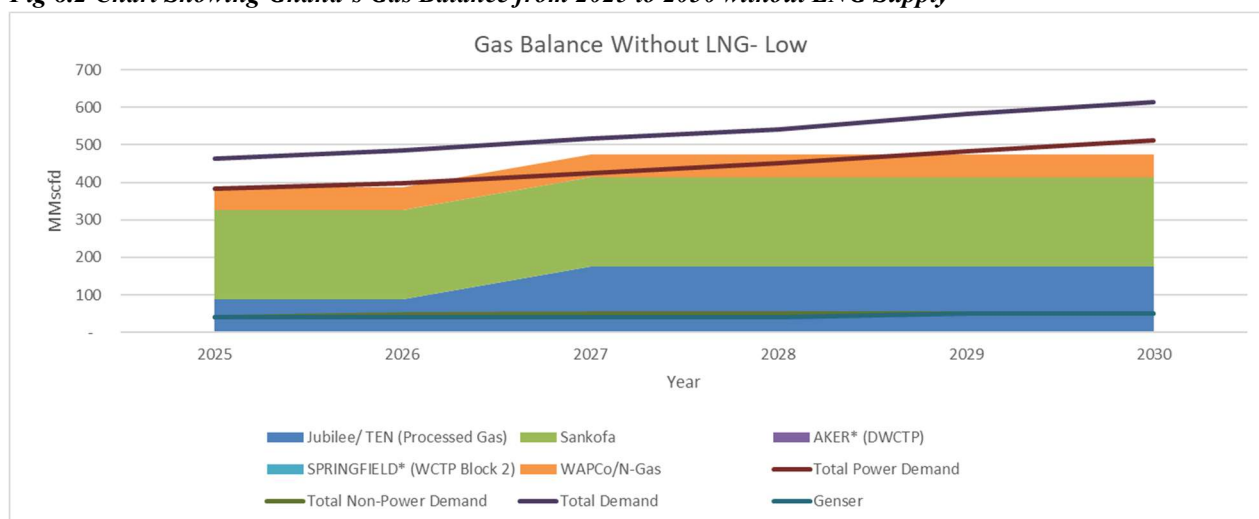


Fig 8.2 Chart Showing Ghana's Gas Balance from 2025 to 2030 without LNG Supply



8.3.6 Factors to mitigate supply deficit

To mitigate the risk of a supply deficit, three key strategies are proposed. Firstly, additional gas volumes should be procured from N-Gas to supplement existing supplies and stabilize overall availability. Secondly, efforts should be made to secure Liquefied Natural Gas (LNG) supply agreements, offering greater flexibility and diversification of sources to cushion against disruptions. Finally, where necessary, the use of liquid fuels should be employed as a backup option to ensure continuous operations during periods of gas shortfall.

9.0 Tariff Inputs and Key Assumptions

The tariff was derived based on the following assumptions

- i. 2025 was set as the base model year
- ii. USCPI of 2.80% was deployed
- iii. Ghana's country default spread: 8.92%
- iv. Ghana's Risk-Free Rate: 8.88%
- v. US Risk Premium 4.33%
- vi. Unlevered Beta: 0.59
- vii. US Risk Free Rate: 3.80%
- viii. Tax: 25%
- ix. PURC Applicable Debt: 70%
- x. PURC Applicable Equity: 30%
- xi. Scheduled maintenance: 15 days
- xii. Unscheduled maintenance: 10 days
- xiii. Shrinkage after processing: 6.5%
- xiv. Fuel gas allocated to transmission: 1%

9.1 Gas Pricing Structure

9.1.1 The Hybrid Tariff Methodology

The movement of gas from the upstream suppliers to the downstream end users requires:

- **Infrastructure (Capital) Investments** into gathering, processing and transportation facilities to reach various markets centers (As described above).
- **Financing of these assets** involves the facilitation of capital costs, including the CDB Loan and commercial loans, as well as equity returns to the GoG (GNGLCs' shareholder). This also allows the company to attract capital for future growth.
- **Operations and Maintenance (O&M)** activities to ensure uninterrupted operation of the facilities described above. The O&M activities are of utmost importance especially in the offshore pipeline and Manifold (PLET) system, which requires frequent pigging to avoid corrosion and permanent damage.
- **Replacement of Depreciated Assets** to ensure continuous delivery of gas to end users beyond the useful asset life of the plant and pipeline facilities.

As such, **the Hybrid Tariff Methodology** aims at deriving the total annual cost of providing the gas gathering, processing and transmission services (**the Annual Revenue Requirement**), which is required by GNGLC to recover its costs and earn a reasonable return.

9.1.2 Cost of Service Rate Determination Formula

9.1.2.1 Annual Revenue Requirement (ARR)

The **Annual Revenue Requirement (ARR)** for a Natural Gas Transmission Utility represents the total revenue required to ensure the utility can operate sustainably, maintain system integrity, and recover all prudent and justifiable costs.

The ARR is determined using the following formula:

$$\text{ARR} = \text{CAPEX Recovery (Depreciation + Return on Asset Base)} + \text{OPEX} + \text{Cost of Working Capital Allowance} + \text{Corporate Tax} + \text{Variable Operating \& Maintenance Costs}$$

Where:

- *OpEx* refers to Operating Expenses
- *DepRAB* is Depreciation on the Regulated Asset Base
- *RtnRAB* is the Return on the Regulated Asset Base
- *CWCA* is the Cost of Working Capital Allowance
- *CorpTax* denotes Corporate Tax
- *VOMC* represents Variable Operation and Maintenance Costs

This cost-reflective framework enables the utility to meet its investment obligations and regulatory standards while ensuring financial viability. In line with PURC's mandate, GNGLC emphasizes that any tariff must balance key national objectives: protecting consumer and investor interests, ensuring reasonable cost of service, supporting financial viability, promoting economic development, optimizing national resource use, fostering price uniformity, and enabling fair competition across the utility sector.

Each component of the Annual Revenue Requirement (ARR) is designed to ensure full cost recovery and financial sustainability of the utility. OpEx covers day-to-day operations; DepRAB ensures assets are replaced over time; RtnRAB provides a fair return on investments; CWCA accounts for the cost of financing working capital; CorpTax reflects statutory obligations; and VOMC captures variable costs tied to throughput. Together, these elements promote reliable service, regulatory compliance, and long-term viability. In addition to ensuring financial sustainability, the structure of the Annual Revenue Requirement (ARR) promotes intergenerational equity by fairly distributing infrastructure costs across current and future consumers. It enhances regulatory certainty, reinforcing GNGLC's investment-grade profile and attractiveness to lenders. The full-cost recovery model also avoids cross-subsidies between service lines or customer classes, ensuring that tariffs reflect actual service costs. Furthermore, this approach aligns GNGLC with internationally recognized regulatory frameworks, positioning the company for regional market integration and facilitating benchmarking by development partners.

9.1.3 Asset Value

The rate base represents the total net book value of the company. The derivation of this is shown below:

GNGLC Asset Value (\$ M)	2026	2027	2028	2029	2030
Gathering	41.09	43.25	40.32	37.38	34.45
Processing	10.85	12.71	11.97	11.22	10.48
Transmission	108.06	117.05	106.54	96.02	79.01

Table 9.1.3a: Asset Value Summary (Existing & Approved Short Term Assets)

GNGLC Asset Value (\$ M)	2026	2027	2028	2029	2030
Gathering	43.78	45.83	42.78	39.74	36.70
Processing	16.15	17.79	16.84	15.89	14.93
Transmission	124.57	130.88	117.68	104.49	84.79

Table 9.1.3b: Asset Value Summary (Existing, Critical & Approved Short Term Assets)

9.1.4 Return

The Return represents the amount which provides a yield on the company's equity investment, as well as an amount to recover interest on debt.

GNGLC Return (\$ M)	2026	2027	2028	2029	2030
Gathering	5.42	5.69	5.28	4.86	4.45
Processing	1.44	1.69	1.59	1.48	1.38
Transmission	14.03	15.05	13.57	12.08	9.67

Table 9.1.4a: Return Summary (Existing & Approved Short Term Assets)

GNGLC Return (\$ M)	2026	2027	2028	2029	2030
Gathering	7.69	8.04	7.46	6.89	6.32
Processing	2.87	3.16	2.98	2.80	2.62
Transmission	21.25	22.11	19.62	17.14	13.44

Table 9.1.4b: Return Summary (Existing, Critical & Approved Short Term Assets)

9.1.5 Rate of Return

This is a rate derived using the capitalization ratio (debt/equity), the cost of debt and the allowed rate of return. It represents the Weighted Average Cost of Capital (WACC) of the company. GNGLC applicable rate of return is shown below:

Table 9.1.5: Weighted Average Cost of Capital

	Value (V)	Debt (D)	Equity (E)	E/V	D/V	Rd	Re	WACC
Gathering	73.39	51.37	22.016	30.00%	70.00%	9.54%	24.84%	14.13%
Processing	18.58	13.01	5.574	30.00%	70.00%	9.44%	24.84%	14.13%
Transmission	180.88	126.61	54.263	30.00%	70.00%	9.54%	24.84%	14.13%
Total	280.83	196.58	84.25	30.00%	70.00%	9.54%	24.84%	14.13%

The Weighted Average Cost of Capital (WACC) applied in this tariff proposal is post-tax, consistent with global regulatory practice and PURC's Rate Setting Guidelines. It reflects the cost of equity and debt inclusive of Ghana's tax environment and is used to calculate the fair return on the Regulated Asset Base.

Table 9.1.4: Total GNGLC Assets – Existing, Critical & Short Term

SERVICE LINE	ASSET	START YEAR	ASSET COST
GATHERING EXISTING	45km 12" Shallow Water Offshore Pipeline (Non CDB)	2015	39.5
	14km 12" Deep Water Offshore Pipeline	2015	29.0
	High Integrity Pressure Protection System	2022	2.7
PLANNED	GC & Fiscal Meter on the Gathering Asset	2026	4.9
TOTAL GAT			76.0
PROCESSING EXISTING	GPP Mainline Compressor	2017	9.0
	300 MMScfd GPP Train 2 FEED	2019	7.0
	GPP PSV Modification	2026	1.5
	GPP Standby Product Cooler	2026	3.8
PLANNED			
	GPP Particulate Filter Provision	2026	2.5
TOTAL PROC			23.9
TRANSMISSION EXISTING	278km 20" Takoradi-Tema Pipeline FEED	2016	14.0
	9km 6" TDS to Wangkang Ceramics Ltd Pipeline	2016	5.1
	75km 20" Essiama-Prestea Onshore Lateral Pipeline (Non CDB)	2017	1.0
	1km 4" TDS to Twyford Ghana Ltd Pipeline	2017	1.6
	Marinus Isopentane GPP Tie-In Works (Phase 1)	2017	0.8
	Anokyi Mainline Onshore Compressor Station	2019	59.1
	10km 20" Karpower TDS to Sekondi Pipeline	2019	46.8
	0.3km 6" DVS 1 to Jintao Pipeline	2022	1.6
	1.8km 8" TDS to Marco Polo Pipeline	2023	4.0
	2.4km 10" WAPCo to SORL Pipeline	2024	3.1
PLANNED			
	Sunon Asogli Infrastructure Acquisition	2025	3.0
	TDS VRA WAPCO Positive Isolation	2025	0.5
	CBI 4km 8" Pipeline & RM Station	2025	8.6
	TDS High Integrity Pressure Protection System	2025	3.9
	4km 12" AKSA Pipeline Acquisition	2025	5.6
	DVS 1 Upgrade	2026	3.0
	Sentuo Oil Refinery Regulating & Metering Station	2026	3.5
	TDS WAPCO Integration Works	2026	0.4
	TDS Control Room Upgrade	2026	2.5
TOTAL TRANS			180.8
TOTAL ASSET			280.8

9.1.6 Cost of Equity

$$R_e = R_f + \text{CDS} + \text{Beta} \times (\text{USP})$$

Required Rate of Return on Equity was estimated to be 24.84%

R_f	CDS	Beta	USP
8.88%	8.92%	1.63	4.33%

9.1.7 Equity Beta

To determine Equity Beta for purposes of computing cost of equity

$$\beta_L = \beta_u \times [1 + (1 - T) D/E]$$

β_L	β_u	T	D	E
1.63	0.59	25%	70%	30%

9.1.8 Cost Debt

$$\text{PoCoD} = R_{\text{fus}} + \text{CDS} \times (1 - T)$$

The Post tax cost of debt was estimated to be 9.54%

R_{fus}	CDS	T
3.80%	8.92%	25%

9.1.9 Regulatory Working Capital

$$\text{WCA}_t = \frac{(\text{Lag}(\text{days})_t - \text{Lead}(\text{days})_t) \times \text{OpEx}_t \times \text{WACC}}{365}$$

Lead Days	Lag Days	OPEX (M)	WACC
128	174	215.19	14.13%

In alignment with the regulatory best practices, the Cost of Working Capital Allowance shall only be recognizable in the Revenue Requirement if it reflects a financing need. Where the Cost of Working Capital Allowance is negative, it will be set to zero, as there is no gap to be financed. In 2026, the projected Cost of Working Capital Allowance is **\$3.85M**.

9.1.10 Fixed Operating Expenses

The Fixed operating expenses are made up of:

Table 9.1.11: Classification of Operational Expenses (OPEX)

Operations & Maintenance:	Expenses arising from operating and maintaining the Offshore Gathering Infrastructure, the Gas Processing Plant, the transmission network and all associated utilities.
Insurance:	This is required to insure the GNGLC facilities from accidental damage.
Salary, General & Administrative:	These expenses include salaries and wages, office maintenance and supplies, regulatory commission expenses such as the EC levies, and general expenses.

The General and Administrative costs are allocated to the three main service lines in proportion to the capital expenditure.

9.1.10.1 Breakdown of Fixed Expenses

Table 9.1.10.1: Breakdown of OPEX

GNGLC 2026 Fixed Expenses	Gathering	Processing	Transmission
Salary, General & Admin	1.088	33.75	74.032
Insurance	0.058	1.791	3.930
O&M	0.777	24.100	75.664
Total Expenses	1.923	59.641	153.627

Normal functioning of GNGLC's gathering and processing assets, as well as all transmission assets require frequent Operations and Maintenance activities. As such, the O&M expenses for 2026 has been projected based on all existing, critical and short-term assets. This is to allow recovery of O&M expenses to efficiently operate and maintain the gas infrastructure.

Additionally, GNGLC by virtue of being the Natural Gas Transmission Utility (NGTU) has been mandated to operate the Natural Gas Interconnected Transmission System (NGITS), which includes all privately-owned transmission pipelines as well as GNGLC's pipelines.

Allocation of OPEX

GNGLC Tariff Proposal OPEX Allocation	Gathering	Processing	Transmission
Allocation %	1%	31%	68%

To optimize tariff outcomes across the gas value chain, GNGLC has adopted a strategic approach to OPEX allocation. Given that the Cost of Working Capital Allowance (CWCA) applies solely to Transmission, and recognizing the need to moderate tariff increases for Gathering and Processing,

which serve upstream producers and NGL users, a larger share of OPEX is allocated to the Transmission line.

This allocation methodology ensures that the total Annual Revenue Requirement (ARR) remains intact while achieving a more balanced and policy-aligned tariff structure. It reflects GNGLC's strategic role in supporting PURC to manage the sector-wide affordability and reinforce the company's commitment to ensuring efficient and equitable gas service delivery.

9.1.11 Depreciation

This is the depreciation of the asset value over the useful life of the facilities. To the utility, this represents the recovery of the investment in facilities as opposed to profits from the investment. The straight-line method is used in computing depreciation.

Table 9.1.11a: Depreciation Cost (Existing and Approved Short-Term Assets)

GNGLC Depreciation	2026	2027	2028	2029	2030
Gathering	2.739	2.935	2.935	2.935	2.935
Processing	0.643	0.743	0.743	0.743	0.743
Transmission	8.762	10.512	10.512	10.512	10.512

Depreciation of assets has been computed over the useful life of all above listed assets. This therefore means that GNGLC cannot recover the principal investment in the facility over the life of the asset. As such, at the end of the useful life, GNGLC may need additional financing to replace these assets.

Table 9.1.11b: Depreciation Cost (Existing, Critical and Approved Short-Term Assets)

GNGLC Depreciation	2026	2027	2028	2029	2030
Gathering	2.846	3.043	3.043	3.043	3.043
Processing	0.855	0.955	0.955	0.955	0.955
Transmission	11.446	13.196	13.196	13.196	13.196

Depreciation of assets has been computed over the useful life of all above listed assets. This therefore means that GNGLC cannot recover the principal investment in the facility over the life of the asset. As such, at the end of the useful life, GNGLC may need additional financing to replace these assets.

9.1.12 Revenue Credits Methodology

Based on the historical tariff derivation, Natural Gas Liquids (NGL) revenue is applied as an offset (discount) against the Gathering and Processing service costs without first verifying whether the Raw Gas Commodity Cost has been fully recovered through Lean Gas Commodity revenue. This approach has resulted in a misalignment, where Commodity payments experience under-recoveries.

To address this imbalance, an additional enhancement is proposed:

- Net NGL Revenue based on Commodity Cost Recovery Gap: The NGL offset should be explicitly capped at the shortfall between the Raw Gas Cost and the Lean Gas Commodity revenue.

This revised approach provides a fairer cost recovery framework, protects GNLGC from systemic under-recovery, and strengthens the tariff model's alignment with economic efficiency and equity under cost-reflective principles.

The projected NGL's revenue for the 2026-2030 Major Tariff Period averages USD 59.59 Million. Based on the preceding principle of NGL Revenue allocation, the total projected annual amount for NGLs is provided in **Tables 9.1.12a** and **9.1.12b**.

Table 9.1.12a: Gross NGL Offsets for Gathering and Processing

GNLGC NGL Revenue (\$ M)	2026	2027	2028	2029	2030
Gathering	45.97	48.72	48.19	47.74	47.18
Processing	11.64	12.33	12.19	12.09	11.94
Transmission	-	-	-	-	-

Table 9.1.12b: Net NGL Offsets for Gathering and Processing

GNLGC Net NGL Revenue (\$ M)	2026	2027	2028	2029	2030
Gathering	8.50	9.53	9.31	9.17	8.95
Processing	19.87	22.24	21.72	21.39	20.89
Transmission	-	-	-	-	-

9.1.13 Total Cost of Service

GNLGC's projected total cost of service for 2026 amounts to **US\$ 262.81 Million**, as shown below.

Table 9.1.13: Total Cost of Service

GNLGC 2026 Cost of Service (\$ M)	Gathering	Processing	Transmission
+Return	5.78	2.79	15.99
+Operational Expenses	1.92	59.64	153.63
+Depreciation	2.85	1.04	11.45
+Working Capital Allowance	-	-	3.84
Corporate Tax	0.91	0.44	2.52
Total Cost of Service	11.46	63.92	187.43

9.1.14 Tariffs- Expected Through-Put

The Usage tariff is derived by computing the total cost of service against the annual expected through-put for 2026.

$$\text{Usage Tariff} = \frac{\text{Total Cost of Service}}{\text{Expected Through-put}}$$

9.1.15 Expected Through-put

The expected through-put amounts to 492MMScfd in 2026. The breakdown is as follows:

Table 9.1.15: GNGLC Through Put Volumes for 2026

GNGLC 2026 Expected Through-put	Gathering (Raw Gas)	Processing (Raw Gas)	Transmission (Lean Gas)
Jubilee (MMScfd)	120.00	120.00	112.00
TEN AG (MMScfd)	-	-	-
Sankofa (MMScfd)	-	-	270.00
Total Expected Through-put (MMScfd)	120.00	120.00	378.00
Btu/Scf	1,285.26	1,285.26	1,123.28
Total Expected Through-put (MMBtu/D)	154,231.20	154,231.20	424,862.66
Operational Days Per Year	342	342	342
Total Expected Through-put (MMBtu/Year)	52,747,070.40	52,747,070.40	145,303,029.04

9.2 Usage Tariff

Accordingly, the GNGLC's Usage Tariff amounts to all existing and short terms assets is **\$2.182/MMBtu**, based on a total cost of service of **US\$262.81 Million** and a volume requirement of 52.75BBtu on Gathering, 52.75BBtu on processing, 145.30BBtu on Transmission for the year 2026.

Table 9.2a: 2026 Tariff allocation - Existing, Critical & Approved Short Term Investments

2026 GNGLC Components	Gathering	Processing	Transmission	Total
Capital Recovery Cost (\$ 'M)	8.631	3.839	27.434	39.904
Capital Recovery Charge (\$/MMBtu)	0.1636	0.0728	0.1888	0.43
Pre NGL Offset OPEX (\$ 'M)	2.835	60.082	159.990	222.908
NGL Offset (\$ 'M)	(8.501)	(19.837)	-	(28.388)
Post-Offset OPEX (\$ 'M)	(5.666)	40.245	159.990	194.57
Post-Offset OPEX Charge (\$/MMBtu)	(0.11)	0.76	1.101	1.76
Expected through-put (BBtu)	52.747	52.747	145.303	
Tariff (\$/MMBtu)	0.0562	0.8358	1.2899	2.182

Table 9.2b: 2026 Tariff allocation – Existing & Approved Short Term Investments

2026 GNGLC Components	Gathering	Processing	Transmission	Total
Capital Recovery Cost (\$ 'M)	8.159	2.085	24.867	35.111
Capital Recovery Charge (\$/MMBtu)	0.1547	0.0395	0.1711	0.3653
Pre NGL Offset OPEX (\$ 'M)	2.772	59.702	159.255	221.729
NGL Offset (\$ 'M)	(8.501)	(19.837)	-	(28.388)
Post-Offset OPEX (\$ 'M)	(5.729)	39.865	159.255	193.391
Post-Offset OPEX Charge (\$/MMBtu)	(0.11)	0.76	1.096	1.746
Expected through-put (BBtu)	52.747	52.747	145.303	
Tariff (\$/MMBtu)	0.0461	0.7953	1.2672	2.109

Subsequently, the remaining 4-year period tariff is presented as below:

	2027	2028	2029	2030
Gathering	0.041	0.042	0.044	0.049
Processing	0.903	1.100	1.366	1.663
Transmission	1.411	1.393	1.575	1.804
Total	2.355	2.535	2.986	3.515

9.3 Treatment of Reverse Flow

At the 2022 major tariff review, the contracted reverse flow volume was 60 MMscfd. However, actual market demand has since increased to approximately 75 MMscfd. This incremental 15 MMscfd, though not captured in the contracted baseline, is necessary to meet national demand. WAPCo accordingly applies additional charges for these extra volumes. Unless these costs are recognized within the tariff framework, GNGLC faces a structural under-recovery through the WACOG mechanism. To ensure full and wholesome cost recovery, PURC must regularize the revised actual reverse flow requirement within the tariff regime. This adjustment is critical to protecting the integrity of the transmission tariff and safeguarding sector liquidity.

9.4 Tariff Outlook - Approved Assets

The delivered gas tariff for GNGLC is projected to evolve over the period 2025 to 2030 as shown in the chart below, reflecting key investments, asset depreciation, and cost recovery dynamics.

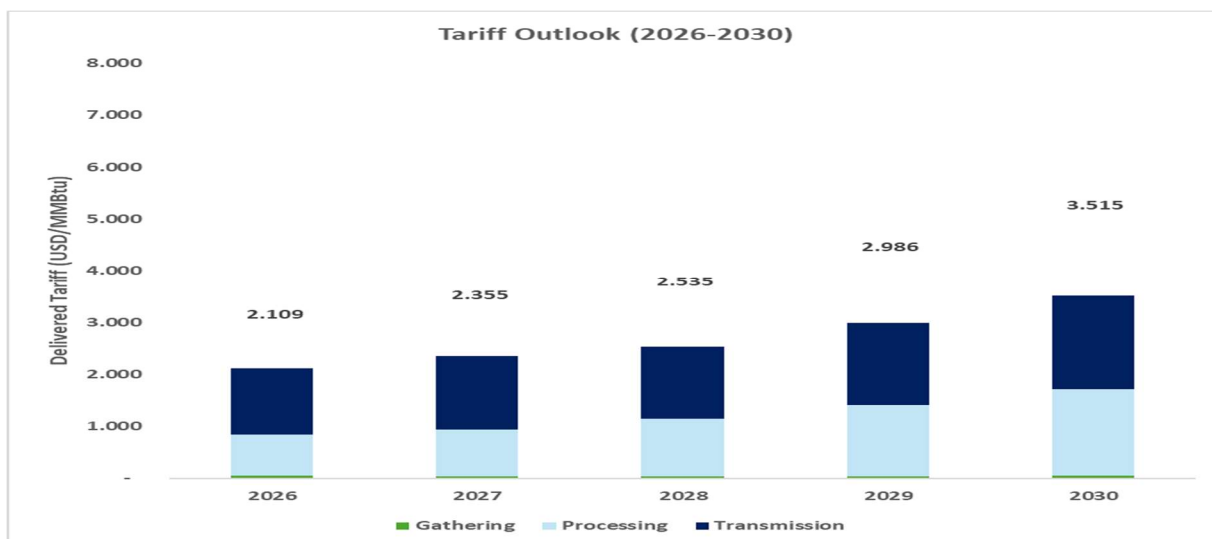


Chart showing the evolution of Tariff over the Major Review Period.

9.4.1 Capital Investment Outlook and Alignment with Tariff Trend

The 2025 tariff path reflects the capital recovery requirements of GNGLC's approved critical short-term assets, notably the Gas Chromatograph and Fiscal Meter on Gathering Asset, GPP Particulate Filter, the High-Pressure Pipeline infrastructure in the East totaling up to US\$ 65million. These targeted investments are designed to stabilize throughput, enhance system reliability, and protect product quality within the review period.

Given the limited scope of CAPEX, tariff movements remain moderate, largely tracking O&M and working capital needs in addition to the recovery of these assets. Beyond 2026, tariffs flatten, reflecting the absence of major new capital additions, thereby ensuring predictability, affordability, and system reliability while staying within the Commission's directive to prioritize short-term investments.

10.0 Challenges and Risks

The following risks faced by GNGLC are stated below:

10.1 Under Recovery

This particular risk relates to the cashflow shortfall from under recovery. The quarterly reviews of tariffs only reflect the impact of the NGL Revenue without reflecting the investments that come on stream within the course of tariff period.

10.2 Projects Expansion

Additionally, the inability to meet cashflow requirements affects GNGLC's ability to embark on any project expansions.

10.3 Supply and Quality Risks

GNGLC's operations are highly dependent on the reliable availability of natural gas from upstream sources. Disruptions in gas supply, whether due to technical issues, upstream maintenance schedules, or sub-optimal gas quality, continue to pose significant risks to GNGLC's ability to deliver consistent volumes to downstream off-takers. Variability in raw gas composition also affects processing efficiency and can lead to increased operating costs or reduced recovery of Natural Gas Liquids (NGLs). The absence of firm gas supply commitments from some upstream sources further complicates planning and infrastructure utilization. As demand grows and GNGLC expands its market reach, any sustained interruption or degradation in gas quality could undermine system integrity, compromise contractual delivery, and reduce investor confidence.

10.4 Payment Risks

GNGLC's financial performance is directly tied to the creditworthiness of its off-takers, particularly within the power sector, which accounts for over 90% of lean gas demand. Despite the implementation of the Cash Waterfall Mechanism (CWM) and the Natural Gas Clearing House Framework (NGC), payment delays, legacy debts, and shortfalls in escrow funding continue to strain GNGLC's liquidity.

These challenges impede timely recovery of the cost of service and threaten the company's ability to maintain operations, finance new investments, and meet debt obligations. Without sustained reform and improved payment discipline across the value chain, GNGLC remains exposed to systemic financial risk, particularly in scenarios of expanded infrastructure or increased service obligations.

11.0 Conclusion

GNGLC's tariff submission for the 2026–2030 regulatory period reflects a structured, forward-looking approach anchored in operational reliability, strategic infrastructure expansion, and long-term financial sustainability. The proposed Delivered Gas Services (DGS) tariff of **US\$2.109/MMBtu** for 2026 is the result of a disciplined, cost-reflective methodology that incorporates prudent capital investment, and transparently applies an NGL revenue offset mechanism. The approved investments are critical to meeting rising national demand, expanding regional reach, and deepening market penetration in both the power and non-power sectors. Their inclusion in the regulated framework signals GNGLC's commitment to transparency, accountability, and system-wide impact.

Furthermore, the proposal acknowledges the temporary smoothing effect of capital deployment timelines on revenue requirements. This approach promotes tariff predictability and affordability while safeguarding GNGLC's financial viability and ensuring continued investment-readiness.

By applying sound cost allocation principles, GNGLC reinforces its dedication to end-user fairness, regulatory clarity, and commercial discipline. The integrated use of the Net NGL Revenue Offset mechanism also reflects a commitment to minimizing sector-wide cost burdens while preserving GNGLC's capacity to function efficiently as both processor and aggregator.

In view of escalating operational risks, downstream payment uncertainties, and the need to reinvest in strategic infrastructure, this tariff proposal provides a fair, transparent, and economically sound basis for regulatory approval. GNGLC remains committed to working collaboratively with the PURC, Ministry of Energy & Green Transition (MoEGT), and Ministry of Finance (MoF) to foster a financially resilient, performance-driven, and forward-compatible gas market that supports Ghana's energy transition and industrial growth.

Addendum: Inclusion of Critical Investments 2022-2025

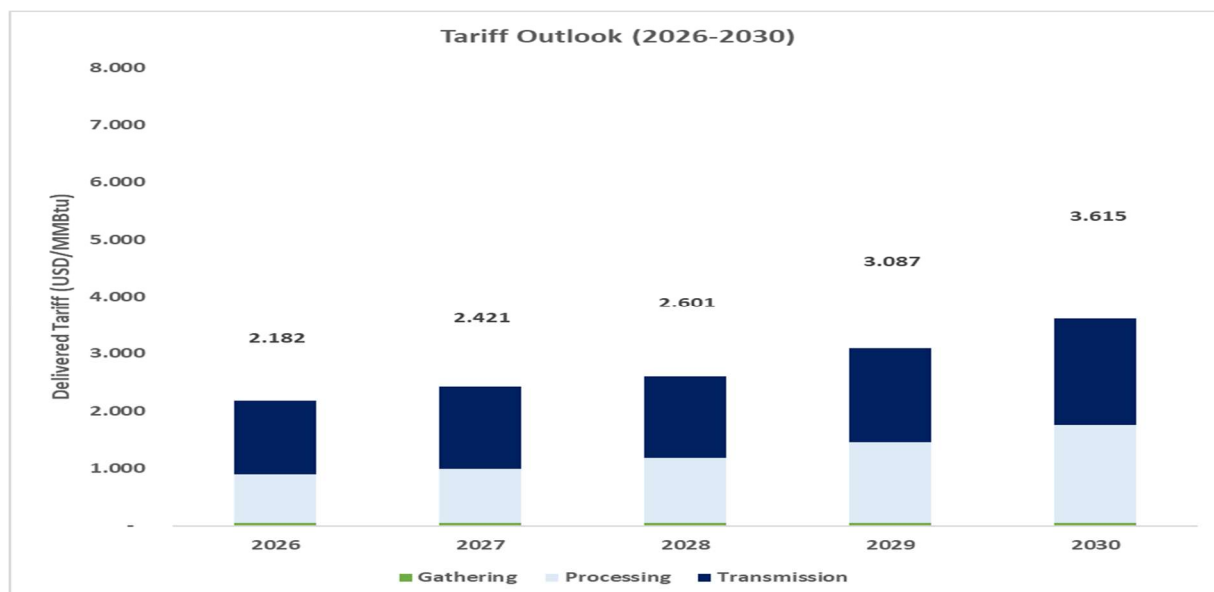


Chart showing the evolution of Tariff over the Major Review Period with Critical Investments Included.

In line with the Commission's directive, this addendum offers additional information to the Proposal above to incorporate only critical short-term assets completed or due between 2022 and 2025. The identified projects, with a total capital cost of US\$36.96 million, include the High Integrity Pressure Protection System (HIPPS), GPP Standby Product Cooler and PSV modification, the WAPCo-SORL pipeline connection, ENI GT3 Compressor Overhaul, CBI 4km pipeline and RM Station, TDS HIPPS, and the AKSA pipeline acquisition.

Accordingly, the associated Asset Cost amounts to US\$62.11 million, to be recovered through depreciation, O&M, and return on the asset base. These additions expand transmission capacity, enhance redundancy and system resilience, and secure supply to both the eastern corridor and cross-border interconnections. They also improve operational reliability at the processing plant and support continuity of service to power and industrial customers.

Under this scenario, the projected tariff remains moderate rising from US\$2.3182/MMBtu in 2026 to US\$3.615/MMBtu by 2030 reflecting only the recovery of approved assets alongside O&M obligations.